

**SENATE BILL**

**No. 30**

**Introduced by Senator Brulte**

February 5, 2001

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An act to amend and repeal Section 41204.1 of the Education Code, to add Section 100.8 to, and to repeal Section 97.43 of, the Revenue and Taxation Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 30, as introduced, Brulte. Power plant facilities: property tax revenue allocations.

The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of companies transmitting or selling electricity. Existing property tax law provides for the valuation, as a unit, of properties of a state-assessee that are operated as a unit as a primary function of that assessee, and for the allocation of the assessed value of the unit among various counties in which the state-assessee's unitary property is located. Existing law also provides, pursuant to specified formulas, for the application in each county of specified tax rates to unitary assessed value, and for the allocation among jurisdictions in that county of the resulting revenues.

This bill would require that the assessed value of new electrical generation property, as defined, be allocated exclusively to the county in which the primary power-generating operation of that facility is located. This bill would also require those revenues, derived from the assessment of this property, to be allocated in the same percentage shares as revenues derived from locally assessed property among the jurisdictions in which the property is located. By establishing new duties with respect to the annual allocation of property tax revenues

derived from state-assessed property, this bill would create a state-mandated local program.

This bill also would state the intent of the Legislature, and would require the Director of Finance to make certain adjustments, with respect to ensuring that the modifications required by this bill and earlier acts to property tax revenue allocations do not have a net fiscal impact on school districts or community college districts, or upon the state's obligation under the California Constitution to provide funding to those districts. This bill would also make technical, nonsubstantive changes with respect to these provisions and other related provisions.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 41204.1 of the Education Code, as  
2 amended by Chapter 1111 of the Statutes of 1996, is amended to  
3 read:

4 41204.1. (a) (1) Pursuant to paragraph (2) of subdivision (b)  
5 of Section 41204, the Director of Finance shall annually adjust  
6 "the percentage of General Fund revenues appropriated for school  
7 districts and community college districts, respectively, in the  
8 1986–87 fiscal year," for purposes of applying paragraph (1) of  
9 subdivision (b) of Section 8 of Article XVI of the California  
10 Constitution, to reflect those property tax revenue allocation  
11 modifications, required by the amendments made to Chapter 6  
12 (commencing with Section 95) of Part 0.5 of Division 1 of the  
13 Revenue and Taxation Code ~~and by the act adding this section,~~  
14 *qualifying provisions* in a manner that ensures that those  
15 modifications will have no net fiscal impact upon the amounts that  
16 are otherwise required to be applied by the state for the support of  
17 school districts and community college districts pursuant to  
18 Section 8 of Article XVI of the California Constitution.

19 ~~(b)–~~

(2) For purposes of this section, “qualifying provisions” means the following:

(A) The amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session and the 1993–94 Regular Session.

(B) The amendments made to Sections 97.2 and 97.3 of the Revenue and Taxation Code by Chapter 1111 of the Statutes of 1996.

(C) Section 100.8 of the Revenue and Taxation Code.

(b) Notwithstanding any other provision of law, for the 2002–03 fiscal year and each fiscal year thereafter, the percentage of “General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87,” for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would have been appropriated for those entities if the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session, the amendments made to that same chapter during the 1993–94 Regular Session, and Section 100.8 of the Revenue and Taxation Code, had been operative for the 1986–87 fiscal year.

(c) In no event may the recalculations required by subdivisions (a) and (b) result in a percentage that exceeds the “percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87,” for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution prior to the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session.

(d) It is the intent of the Legislature in enacting the act adding this section to ensure both of the following:

(1) That the changes required by the act adding this section qualifying provisions in the allocations of ad valorem property tax revenues do not have a net fiscal impact upon school districts, as defined in accordance with Section 41302.5, or community college districts.

(2) That the changes required by the ~~act adding this section~~ *qualifying provisions* in the allocations of ad valorem property tax revenues do not have a net fiscal impact upon the amounts of revenue otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.

SEC. 2. Section 41204.1 of the Education Code, as amended by Section 1 of Chapter 84 of the Statutes of 1999, is repealed.

~~41204.1. (a) (1) Pursuant to paragraph (2) of subdivision (b) of Section 41204, the Director of Finance shall annually adjust “the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in the 1986–87 fiscal year” for purposes of applying paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, to reflect those property tax revenue allocation modifications, required by the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code by the qualifying provisions, in a manner that ensures that those modifications will have no net fiscal impact upon the amounts that are otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.~~

(2) For purposes of this section, “qualifying provisions” means all of the following:

(A) ~~The amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session and the 1993–94 Regular Session.~~

(B) ~~The amendments made to Sections 97.2 and 97.3 of the Revenue and Taxation Code by Chapter 1111 of the Statutes of 1996.~~

(C) ~~Section 97.43 of the Revenue and Taxation Code.~~

(b) ~~Notwithstanding any other provision of law, for the 2000–01 fiscal year and each fiscal year thereafter, the percentage of “General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87,” for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, shall be deemed to be the percentage of General Fund revenues that would~~

have been appropriated for those entities if the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session, the amendments made to that same chapter during the 1993–94 Regular Session, and Section 97.43 of the Revenue and Taxation Code, had been operative for the 1986–87 fiscal year.

(c) ~~In no event shall the recalculations pursuant to subdivisions (a) and (b) result in a percentage that exceeds the “percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87,” for purposes of paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution prior to the amendments made to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code during the 1991–92 Regular Session.~~

(d) ~~It is the intent of the Legislature to ensure both of the following:~~

(1) ~~That the changes required by the qualifying provisions in the allocations of ad valorem property tax revenues do not have a net fiscal impact upon school districts, as defined in accordance with Section 41302.5, or community college districts.~~

(2) ~~That the changes required by the qualifying provisions in the allocations of ad valorem property tax revenues do not have a net fiscal impact upon the amounts of revenue otherwise required to be applied by the state for the support of school districts and community college districts pursuant to Section 8 of Article XVI of the California Constitution.~~

SEC. 3. Section 97.43 of the Revenue and Taxation Code is repealed.

97.43. (a) ~~Notwithstanding any other provision of this article, for purposes of ad valorem property tax revenue allocations for the 2000–01 fiscal year and each fiscal year thereafter, the total amount of ad valorem property tax revenue allocated to the county’s Educational Revenue Augmentation Fund shall not exceed the total amount of revenues allocated to that fund for the 1999–2000 fiscal year.~~

(b) ~~In the 2000–01 fiscal year and each fiscal year thereafter, any amount of ad valorem property tax revenue that is not allocated to a county’s Educational Revenue Augmentation Fund as a result of the limit established by subdivision (a) shall instead~~

~~be allocated among the local agencies in the county in accordance with each local agency's proportionate share of the total amount of ad valorem property tax revenues that would be required to be allocated to the county's Educational Revenue Augmentation Fund in the absence of this section.~~

SEC. 4. Section 100.8 is added to the Revenue and Taxation Code, to read:

100.8. Notwithstanding any other provision of law, for the 2001–02 fiscal year and each fiscal year thereafter, all of the following apply:

(a) The property tax assessed value of new electrical generation property assessed by the State Board of Equalization shall be allocated entirely to the county in which the property is located, and shall be allocated to that tax rate area in the county in which the property is located.

(b) The total tax rate applied to the assessed value allocated pursuant to subdivision (a) shall be the sum of the rates calculated pursuant to subdivision (b) of Section 100.

(c) The revenues derived from the application of the total tax rate described in subdivision (b) to the assessed value allocated to a tax rate area pursuant to subdivision (a) shall be allocated among the jurisdictions in that tax rate area, in those same percentage shares that property tax revenues, derived from locally assessed property, are allocated to those jurisdictions in that tax rate area.

(d) For purposes of this section, “new electrical generation property” means a power plant, cogeneration facility, new generation facility, or a transmission or distribution facility, or any portion thereof, completed and placed in service on or after January 1, 2001.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

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